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Client Consents & Disclosures Issues & Answers

Presented by:

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History of

Tax Confidentiality Laws

Traced to Civil War Income Tax Act of 1862

IRC § 6103 in the Tax Reform Act of 1976

Gramm-Leach-Bliley Act of 1999

IRC § 7216 & § 7431

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Issue: What is IRC § 7216

Civil Penalties

Electronic Filing

Cross Marketing

Updated Regulations

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Issue: Rev Proc 2008-35

– Notable Changes

Multiple consents

Consent form format

Prescribed language

Electronic consent permitted

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Issue: Regulations Who do they apply to?

Paid Preparers - YOU

Electronic Return Originators & Transmitters

Support Contractors or Employees

Volunteer Preparers for VITA & TCE

Software Developers

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Issue: Consent To Disclose

Names of tax preparer & taxpayer

- Specify nature of the disclosure
- To whom the disclosure will be made
- Details on the data to be disclosed
- Specific language

Refer to Reg. 301.7216-3(a)(3)

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Issue: Consent to Disclose When & How

WHEN

- Before Returns are Provided
- Before Tax Return Information is Disclosed

HOW

- Paper Consent Form
- Electronic Consent Form

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Issue: Disclosure of Tax Return Information

What is “tax return information?”

What are “disclosures” of tax return information



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Two Types of Disclosures

Permissible disclosures without taxpayer consent

Disclosure requiring taxpayer consent



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Practice Tip

Check Your Tax Software

May Have Fill In Forms For

- Consent to Use or Disclose
- Power of Attorney 2848

Ability to E-File Forms

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Issue: Third Party Authorization

Expanded Third Party Designee

The Oral Tax Information Authorization

Oral Disclosure Consent

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Issue: Disclosing Outside the United States

Special Rules

Exceptions

See Rev Proc 2008-35 section 4.04(1)(e)(ii)

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Issue: Penalties

for

Unauthorized Disclosure & Inspection

Civil Penalty

Criminal Penalty

Or BOTH of the above



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Practice Tip

When in Doubt

GET CONSENT

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For More Information:

National Society of Accountants (NSA)

More information is available including
clickable links to research materials,
and much more at

Booth _____ in Vendor Hall

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